

CENTRAL INTELLIGENCE AGENCY

REPORT

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5. The new prices under consideration for food stuffs, water, etc, which were to have gone into effect on 1 January 1956, have for the time being been postponed.
6. Officials of the Ministry for Heavy Industry have been informed that the Deutsche Investitionsbank is to be dissolved, as it no longer serves the purpose for which it was originally intended. Industrial enterprises are now doing their own financing from their own net profits. Subsidies (Zuschuss) from the state budget are also being channelled from the budget to the Ministries, which then distribute the same to the enterprises. The Investitionsbank is no longer a channel for these funds as was formerly the practice.

7. [redacted] the rebuilding of the Staatsoper in East Berlin cost 64,000,000 DME.

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1. [redacted] Comment: These price increases have been variouly reported in [redacted]

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INFORMATION REPORT

RESEARCH

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SUBJECT: Information on the Ministry of Heavy Industry NO. OF PAGES: 2

PLACE
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THIS IS UNEVALUATED INFORMATION

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1. A considerable number of technical positions on the East German Ministry for Heavy Industry's position plan were unfilled as of September 1955. Minister Selbmann ordered State Secretary Richard Goschuetz to see to it that the positions were filled. According to discussions within the Ministry, one principal cause of the shortage was the fact that so many technicians had fled East Germany. In addition, many of the newly-trained technicians were poorly qualified and too, technical workers preferred working in the enterprises to work in the Ministry since the pay and bonus possibilities in the former were much better. The Drafting and engineering enterprises (Projektierungs- und Konstruktionsbetriebe) were also experiencing a shortage of technical workers, particularly statisticians and engineers (Konstrukteure).
2. The expenditures planned by the Ministry for Heavy Industry for cultural, social and health purposes during 1955 amount to 10,940,000 DME. Anticipated for 1956 are expenditures of 11,542,500 DME, an increase of 5.5%. (Without including expenditures for research work, the increase amounts to 3.1%)
3. The new "Bookkeeping Ordinance" for East Germany was supposed to be published by September 1955 at the latest. The Ministry for Heavy Industry however has refused to accept the new draft. The new ordinance will completely eliminate the old volume 25, Neues Rechnungswesen, and also provides for the virtual abolishment of speed-up brigades because of the heavy workload.
4. On 12 September 1955, the Main Administration for the Volkspolizei of the Ministry for the Interior informed Minister Selbmann that on 30 August and 6 September SED party meetings had taken place at the VEB Stahl- und Eisenwalzwerk Brandenburg. At both meetings, discussion speakers had objected to plans for altering the work norms and lowering wage levels (Lohnrueckstufungen). Statements were made to the effect that such measures could be carried out in East Germany only because the workers there, as opposed to those in West Germany, had no right to strike. One worker was quoted as saying - "It will be different some day - then we will chase the oppressors away with clubs (Knueppel)". State Secretary Goschuetz ordered the head of the Central Department for Labor to investigate the matter and to prepare a report on the wage and work norm situation at the Brandenburg plant.

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